

UTILITIES SERVICE BOARD MEETING  
May 1, 2006

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:01 p.m. The meeting was held in Conference Room 210 at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Tim Mayer, Jeff Ehman, John Whikehart, Julie Roberts, Tim Henke and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Trexler, Vickie Renfrow, Jane Fleig, Mike Hicks, Tom Staley, Adam Wason. Others present: Angela Parker and Bob Madden representing the Lake Lemon Conservancy District, Scott Girman representing Greeley Hanson, Margaret Fette representing the Libertarian Party and Ben Beard representing Gentry Estates.

MINUTES

BOARD MEMBER WHIKEHART MOVED AND BOARD MEMBER ROBERTS SECONDED THE MOTION TO APPROVE THE MINUTES OF THE APRIL 17, 2006 MEETING. MOTION CARRIED. 5 AYES, 2 MEMBERS ABSENT, (VAUGHT AND SANDBERG).

Board members Vaught and Sandberg arrived at this time.

CLAIMS

BOARDMEMBER EHMAN MOVED AND BOARDMEMBER WHIKEHART SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0690560 THROUGH 0690625 INCLUDING \$107,170.19 FROM THE WATER OPERATIONS & MAINTENANCE FUND AND \$57,518.84 FROM THE WATER CONSTRUCTION FUND FOR A TOTAL OF \$164,689.03 FROM THE WATER UTILITY; CLAIMS 0630350 THROUGH 0630396 INCLUDING \$135,732.76 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$135,732.76 FROM THE WASTEWATER UTILITY; AND A TOTAL OF \$1,536.13 FROM THE WASTEWATER/STORMWATER UTILITY. TOTAL CLAIMS APPROVED - \$301,947.92.

Board President Swafford asked about claim number 0690588 for Danis Construction. He wanted to know if sufficient funds are still being withheld. Mike Hicks said that close attention is being paid to the escrow holdings, the accruing liquidated damages and the expenses CUD has incurred due to the extension of the project. Black & Veatch recommended that this amount be paid. After this payment little will be left in the way of funds.

MOTION CARRIED. 7 AYES.

APPROVAL OF A CONTRACT WITH GREELEY HANSON FOR CONSULTING SERVICES:

Attorney Vickie Renfrow with the City of Bloomington Legal Department explained that this contract is for services primarily for the Wet Weather Program which will be bid out this summer. The SRF financing will be closed in June. It also includes design work for the disinfection and de-chlorination project at Dillman Road WWTP that will be done later in the year.

Utilities Director Murphy pointed out that these projects are a part of the Agreed Order that CUD has signed with the state.

Board member Henke asked why this contract and several other documents are now referring to the City of Bloomington Utilities Department. He had thought it was a separate entity called City of Bloomington Utilites. Ms. Renfrow explained that CUD is a department of the City. It does exist as a separate legal entity but it is within the City of Bloomington. For example when the IURC case is filed it will be as the City of Bloomington. The Utilities Service Board does make CUD different from other City departments. It's also different because it does not operate on taxes at all. Mr. Henke asked if CUD files tax returns. Ms. Renfrow said that CUD does file tax returns. In some ways it is separated from the City. CUD has it's own Employee Identification Number. There are also some tax forms filed that are specific to the Wastewater Works and the Water Works but it is all ultimately under the umbrella of the City of Bloomington.

BOARD MEMBER HENKE MOVED AND BOARD MEMBER WHIKEHART SECONDED THE MOTION TO APPROVE THE CONTRACT WITH GREELEY HANSON FOR CONSULTING SERVICES. MOTION CARRIED. 7 AYES.

ORDINANCE 06-06 UPDATING TITLE11, "LAKES & RESERVOIRS", CHAPTER 11.04 "LAKE LEMON" OF THE BLOOMINGTON MUNICIPAL CODE:

Ms. Renfrow of the City of Bloomington Legal Department explained that a chapter of the city code pertaining to Lake Lemon was adopted in the 1950's and hasn't been updated since then. This ordinance will bring it up to date. In 1995 the USB entered into a 50 year agreement with the Lake Lemon Conservancy District to operate and maintain the lake. The district board has gone through a very lengthy process reviewing the code and making proposals for changes to it. The USB is being asked to make a recommendation to the City Council that they adopt these changes. The changes acknowledge the existence and the role of the Lake Lemon Conservancy district. It has been reviewed by Ms. Renfrow, City Council Attorney Dan Sherman and Utilities Deputy Director John Langley.

LLCD attorney Angela Parker said that the LLCD is a public body that holds open meetings under the Open Door law. They have adopted rules and regulations through that open process. These rules and regulations have been included in this ordinance.

Board member Micuda asked if the property owners had been able to give any input and if there had been any dissenting votes. Ms. Parker replied that property owners were able to give input through their Board representative and there had been no dissenting votes.

Board member Mayer noted that canoes, kayaks and paddle boats no longer need to be licensed. He asked if that was just for property owners or if it was for the general public. LLCD manager Bob Madden said that it applied to the general public. Mr. Mayer also asked about geo-thermal systems. He wanted to know if there were any of them in the conservancy district. Mr. Madden said that there are four of them. A resolution was passed in 1996 prohibiting the installation of geo-thermal systems because they can be hazardous for boats and at times it can be necessary to lower the lake level to a point where the systems would no longer be under water.

Board member Henke asked about the composition of the LLCD. Ms Parker explained that there are seven districts each of which elects a member to the Board of Directors. They hold monthly meetings. Mr. Henke asked how the District is funded. Ms. Parker said that it has special taxing authority. There are property tax assessments that are collected by Monroe County and Brown County.

Board member Ehman commented that he had signed a disclosure that he works for the LLCD. He didn't see anything in this ordinance that would prevent him from voting for it.

Utilities Director Murphy asked about the designated swimming area at the embayment by the damn. He wanted to know if there is a current there. District manager Madden replied that it is far enough away from the spillway so there is no current.

Board President Swafford asked about the four grandfathered geo-thermal systems. He wanted to know if they could be replaced if they failed. Mr. Madden said they could not.

Board member Roberts asked how many free holders are there and what the geographical boundaries of the District are. Ms. Parker said that there are 525 free holders and the District is bordered on the South by the railroad trestle just South of South Shore Drive and on the North by North Shore Drive.

BOARD MEMBER VAUGHT MOVED AND BOARD MEMBER ROBERTS SECONDED THE MOTION THAT THE USB RECOMMEND TO THE CITY COUNCIL PASSAGE OF ORDINANCE 06-09 UPDATING TITLE 11 "LAKES & RESERVOIRS", CHAPTER 11.04 "LAKE LEMON" OF THE BLOOMINGTON MUNICIPAL CODE. MOTION CARRIED. 7 AYES.

#### OLD BUSINESS:

Board member Roberts said that at the Engineering Subcommittee meeting the board had heard the Cadavid's side of the story of the sewer back up into the house they own. She wondered if there would be a chance to hear the staff's side of the story.

Utilities Director Murphy replied that the staff had responded appropriately to this situation and he is comfortable with that. If CUD were to engage in an annual cleaning process that included root cutting rate payers might have sewer bills as high as \$80.

#### NEW BUSINESS:

Utilities Director Murphy asked that there be a special meeting of the USB on May 22<sup>nd</sup>. Ms. Renfrow explained that the SRF financing that will be closed on by the end of June includes several projects. These projects are Blucher Poole Phase II, the Dillman Road disinfection and de-chlorination project and the wet weather program. The process that must be gone through includes public hearings, then a ten day comment period. Then the USB has to pass a resolution approving the preliminary engineering report. This process needs to be completed by the end of June for CUD to benefit from lower interest rates. The special meeting will be to approve the preliminary engineering report. She also mentioned that CUD will be closing on Friday, May 5<sup>th</sup> with the Indiana Bond Bank. This money will pay off the bans, finance the new building and the storm water projects.

Mr. Murphy also mentioned that the meeting that would normally have occurred on May 29<sup>th</sup>, Memorial Day, has been scheduled for Tuesday, May 30<sup>th</sup>.

#### SUBCOMMITTEE REPORTS:

Board member Vaught reported that there had been a Finance Subcommittee meeting on April 21<sup>st</sup> to review the Crowe Chizek report. He said the committee spent quite a bit of time going through all the specific issues mentioned in the report and determining where CUD stands on these issues. At this point most of these items are well in hand. There are a few remaining items that are still being worked on. The committee recommends that Crowe Chizek continue to be retained to help clean up the problems from 2004 that have not been corrected so that the numbers that flow into 2005 are known to be accurate.

Board President Swafford said that a contract will be ready for the meeting on May 15<sup>th</sup>.

Mr. Vaught said that in addition the subcommittee had two specific requests. They ask that the staff make available in a timely fashion all information requested by the State Board of Accounts Auditors. They also asked that a spreadsheet be made of the items in the report with a check list indicating what progress has been made.

Board President Swafford said that excellent progress is being made.

Board member Henke reported that the Engineering Subcommittee had met on April 24<sup>th</sup> to discuss the Cadavid's request for relief in their sewer back up. He said that the subcommittee agreed that CUD maintains its lines in a business like fashion.

Because a Tort Claim has been filed the USB can't offer any relief for this situation other than to listen to the facts.

The Subcommittee asked that they be provided with a written document of the maintenance procedures so if anyone asks about them in the future there will be one specific document to provide them with. This will prevent conflicting information being given out.

Mr. Henke said that the subcommittee feels that the process they have to use doesn't show much empathy for the victim. They have asked Ms. Renfrow to meet with staff and Risk Management about a brochure the staff put together that provides some information about clean up. They would like to see if it can be fixed up so it can be given out to the public. Mr. Henke said that employees are asked to be customer friendly but that becomes difficult if they aren't given any tools to do it with.

The subcommittee's motion is that the claim not be paid.

BOARD MEMBER EHMAN SECONDED THE MOTION OF THE SUBCOMMITTEE. MOTION CARRIED.  
6 AYES. 1 ABSTENTION. (SWAFFORD)

Board member Henke reported that there had been a meeting of the Property & Planning subcommittee on April 27<sup>th</sup>. They heard a request from Andrew Franklin regarding a piece of property that CUD owns by Lake Lemon. They took it under advisement while waiting for more information about the situation which is quite complex. Another meeting will be scheduled in the near future.

Mr. Henke also reported that the staff had put together a presentation of a property overview. The subcommittee was interested to learn that not all the property that is owned by CUD is titled to them. Because it would be a Herculean task to change all those documents this can be handled with a Memorandum of Understanding between the City and CUD. The subcommittee asked that staff prepare a data base of all the properties owned by CUD so the board will know what they are responsible for.

#### STAFF REPORTS:

Utilities Director Murphy gave an update on the meetings with the Monroe County Plan Commission Executive Committee. He said that Greeley Hansen has been working at identifying problem areas in the wastewater transmission system. They should be able to provide maps that can be used for the discussion at the next meeting.

Board member Micuda said that he had had a chance to go through the materials provided and is ready to meet with staff about it at anytime.

Board member Henke asked for further clarification of what information Greeley Hansen will be providing.

Board President Swafford explained that he had asked that areas where there are problems with transmission be mapped so it will be possible to determine areas where extensions should not take place.

Board member Ehman asked if CUD staff would be working with Greeley Hansen's GIS staff.

Utilities Director Murphy said that Greeley Hansen had already done much of the work while completing the Wet Weather Program study. Mr. Ehman asked if CUD has copies of all this data as well as Greeley Hansen. Mr. Murphy said that it hasn't been provided yet. Mr. Ehman asked that CUD acquire a copy of that data.

Assistant Engineer Fleig said that as Greeley Hansen completes their inspections the data is turned over to CUD and incorporated in a layer of the GIS system.

Deputy Director Langley reported that a new Pre-Treatment Ordinance is ready for the USB's approval before it goes to the City Council for approval. It has been approved by the EPA which means that it must be passed by the City Council within 90 days. It needs to be forwarded to the Council by May 24<sup>th</sup> which means it needs to be on the USB agenda on May 15<sup>th</sup> or for the special meeting on May 22<sup>nd</sup>. In the meantime there will be a meeting of the Rules and Regulations Subcommittee to give the Board a chance to ask any questions they may have about it. Most of the changes are reorganization of the text or are definitions.

Ms. Renfrow said that it would be alright to take it to the subcommittee on the week of the 15<sup>th</sup> of May and then put it on the agenda for the USB meeting on May 30<sup>th</sup>.

Board President Swafford pointed out that there are some rates and fees in this ordinance. He thinks they should be considered for updating.

#### PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

#### ADJOURNMENT:

The meeting was adjourned at 6:00 p.m.

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L. Thomas Swafford, President